

THE REHAB FUNDING TOOLKIT

Subtitle: A Strategic Guide to Financing Addiction Treatment in South Africa without Destroying Your Wealth. **Author:** Taufeeq Essop | Financial Recovery Architect

INTRODUCTION

Rehabilitation is an investment in life, but the costs can be overwhelming. Most families panic and liquidate the wrong assets or accept the first "No" from their medical aid. This toolkit provides the professional scripts and checklists we use to secure funding and maximize tax efficiency.

TOOL 1: THE MEDICAL AID ADVOCACY SCRIPT

Purpose: Medical aids often reject initial claims for rehab. However, substance abuse is often a **Prescribed Minimum Benefit (PMB)** condition. Use this script when calling your scheme's authorization center.

The Script:

Agent: "How can I help you?"

You: "I need to obtain pre-authorization for an in-patient admission for [Name]. This is an emergency admission for a substance use disorder."

Agent: "Okay, we can pay this from your Savings Account, or you have limited benefits."

You: "I would like to query that. My understanding is that this condition falls under the **Prescribed Minimum Benefits (PMB)** regulations of the Medical Schemes Act. Can you please confirm if this specific diagnosis (ICD-10 Code: _____) is listed as a PMB condition?"

[Critical Pause - Make them check]

You: "If it is a PMB, I request that funding be allocated from the **Risk Benefit** and not my Medical Savings Account. Please provide me with the authorization number."

TOOL 2: THE SECTION 6B TAX LOGBOOK

Purpose: SARS allows for significant medical tax credits for "Disability and Physical Impairment" under **Section 6B** of the Income Tax Act. Addiction can often be classified under this section if a medical professional completes the **ITR-DD form**.

The Checklist (Keep invoices for all):

- **Treatment Fees:** Full invoice from the Rehab Center.
- **Professional Fees:** Psychiatrists, Psychologists, and Addiction Counsellors.
- **Transport:** Mileage log for driving the patient to/from the facility.
- **Travel Expenses:** Flights/Accommodation if the facility is in another city.
- **Support Services:** Aftercare group therapy costs.

TOOL 3: THE LIQUIDITY & ASSET TRIAGE CALCULATOR

Purpose: If you must sell assets to pay for rehab, use this hierarchy to decide where to pull cash from first.

The "Do Not Sell" List (Red Light):

- **Retirement Annuities (RAs):** Penalties are severe and tax is high.
- **Fixed Deposits:** You often forfeit all interest.

The "Liquidity Priority" Logic (Green Light):

1. **Medical Aid Savings / PMB:** (Always exhaust this first).
2. **Emergency Fund (Cash):** No tax implication.
3. **Access Bond:** Lowest cost of borrowing.
4. **Vehicles or "Toys":** Selling these removes ongoing insurance/maintenance costs, improving cash flow immediately.